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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

Section

FEB 24 2017 \*

SEC FILE NUMBER

8-68605

FACING PAGE

Washington DC

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Roc Global Securities, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

295 Madison Avenue, 12th fl.

(No. and Street)

New York

N.Y.

10017

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Davis, Ward &amp; Hochman, LLP

(Name - if individual, state last, first, middle name)

150 E. 58<sup>th</sup> Street

New York

NY

10155

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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## OATH OR AFFIRMATION

I, Joseph A. Garofoli, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Roc Global Securities, LLC, as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

ANTUANET CONCHA  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01CO6213859  
Qualified in Kings County  
My Commission Expires November 23, 2017

  
~~Notary Public~~

  
Signature  
Managing Member  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A Report Describing the Broker-Dealers Compliance with the Exemption Provisions of Section k of SEC Rule 15c3-3 (the "Exemption Report")
- ☐ (o) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**



Davis, Ward & Hochman, LLP  
Certified Public Accountants and Consultants

150 East 58<sup>th</sup> Street, 20<sup>th</sup> Floor  
New York, NY 10155  
Tel: (212) 230-2600  
Fax: (212) 758-0215  
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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Member  
Roc Global Securities, LLC  
New York, New York

We have audited the accompanying statement of financial condition of Roc Global Securities, LLC (the "Company") as of December 31, 2016, that is to be filed pursuant to Rule 17a-5 under the Securities Act of 1934, and the related notes to the statement of financial condition. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, such statement of financial condition presents fairly, in all material respects, the financial position of Roc Global Securities, LLC as of December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The accompanying statement of financial condition has been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the statement of financial condition, the Company has a loss in 2016 and this condition raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The statement of financial condition does not include any adjustments that might result from the outcome of this uncertainty.

*Davis, Ward & Hochman, LLP*

Davis, Ward & Hochman, LLP

New York, New York  
February 8, 2017

**ROC GLOBAL SECURITIES, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2016**

**ASSETS**

Cash	\$ 48,450
Prepaid expenses and other assets	<u>8,157</u>
Total assets	<u>\$ 56,607</u>

**LIABILITIES AND MEMBER'S EQUITY**

Accounts payable and accrued liabilities	<u>\$ 6,502</u>
Total liabilities	6,502
MEMBER'S EQUITY	<u>50,105</u>
Total liabilities and member's equity	<u>\$ 56,607</u>

See accompanying notes to statement of financial condition.

# **Roc Global Securities, LLC**

## **Notes to Statement of Financial Condition**

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### **Note 1 - Going Concern**

Roc Global Securities, LLC (the "Company") financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company has recurring net losses since 2013. The Company is in the process of working on various transactions, which could result in revenues which would cover its operating costs for the next twelve months. Additionally, Roc Global Holdings LLC (the "Parent") can infuse additional capital into the Company and has historically contributed capital to fund the net losses.

There can be no assurance that the Company will be successful in closing these transactions or that the Parent will infuse additional capital in order to continue as a going concern. Accordingly, these factors raise substantial doubt as to the Company's ability to continue as a going concern. The statement of financial condition does not include any adjustments relating to the recoverability and classification of recorded assets or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

### **Note 2 - Summary of Business and Significant Accounting Policies**

#### **Organization and Business Overview**

The Company was organized pursuant to the laws of the State of Connecticut and is a wholly owned subsidiary of the Parent. The Company is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and regulated by Financial Industry Regulatory Authority ("FINRA"), formerly the National Association of Securities Dealers ("NASD").

The Company is in the businesses of originating and distributing and trading equity-linked securities to investors. The business activities include private placements, acting as an underwriter, participating as a selling group participant and as a broker or dealer selling corporate equity-linked securities and convertible securities.

#### **Basis of Accounting**

The Company's statement of financial condition is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby revenues from origination, distribution and advisory activities are recognized when earned and expenses are recognized when incurred.

## **Roc Global Securities, LLC**

### **Notes to Statement of Financial Condition**

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#### **Note 2 - Summary of Business and Significant Accounting Policies - continued**

##### **Investment Banking**

Investment banking revenues are composed of origination, distribution, and advisory fees. Investment banking revenues are recognized when the Company's performance under the terms of the contractual arrangements is completed, which is typically at the closing of the transaction. In certain transactions the Company may be paid a non-refundable retainer, which is recognized as revenue when the services for the transactions are provided.

Expenses associated with investment banking transactions are recorded in Other operating expenses, net of client reimbursements. If the contractual arrangement includes reimbursement of out-of-pocket expenses, such expenses are deferred and recognized as a receivable.

##### **Principal Transactions**

The Company executes transactions as an intermediary (riskless-principal) by serving as a trading counterparty to both the buyer and the seller in matching back-to-back trades. Securities transactions and the related revenues and expenses are recorded on a trade-date basis.

##### **Use of Estimates**

The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

##### **Equipment**

The Company expenses any computer and office equipment related costs that are individually \$1,500 and below.

# **Roc Global Securities, LLC**

## **Notes to Statement of Financial Condition**

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### **Note 2 - Summary of Business and Significant Accounting Policies - continued**

#### **Income Taxes**

The Company is organized as a limited liability company and is taxed as a partnership. Accordingly no provision has been made for federal and state income taxes. These taxes are the responsibility of the member who includes the Company's income and deductions in their income tax return.

The Company recognizes and measures its unrecognized tax benefits in accordance with ASC Topic No. 740, "Income Taxes". Under that guidance the Company assesses the likelihood, based on their technical merit that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. The amount of unrecognized tax benefits as of December 31, 2016 is \$0.

With few exceptions, the statute of limitations for the examination of the Company's tax returns is generally three years from the due date of the tax return including extensions. The tax years subject to examination include the years 2012 and forward.

#### **Fair Value Measurements**

ASC Topic No. 820, "Fair Value Measurements and Disclosures" ("ASC 820") defines fair value and establishes a framework for measuring fair value. The Company adopted the provisions codified within ASC 820 for financial assets and liabilities that are measured at fair value on a recurring basis. ASC 820 establishes fair value hierarchy levels that prioritize the inputs used in valuations determining fair value. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are primarily quoted prices for similar assets or liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs based on the Company's own assumptions.

#### **Advertising Costs**

Advertising and branding related costs are expensed as incurred.

## **Roc Global Securities, LLC**

### **Notes to Statement of Financial Condition**

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#### **Note 3 - Related Parties**

In 2016, the Company had \$50,000 due to its Parent under an interest bearing note ("Note") which had an interest rate of 4% and was scheduled to mature on April 30, 2016. On February 4, 2016, the Parent converted the Note balance of \$50,000 to a contribution to Member's Equity.

The Company had an intercompany payable to its Parent of \$15,225. On April 5, 2016, the Parent converted this amount to a contribution to Member's Equity.

The Parent files a consolidated return for New York City unincorporated business taxes ("UBT"). The Parent charges the Company its share of UBT. There were no UBT related expenses for the year ended December 31, 2016.

#### **Note 4 - Net Capital and Other Regulatory Requirements**

As a broker-dealer, the Company is subject to the SEC regulations and operating guidelines, which require the Company to maintain a specific amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as defined, not to exceed 15 to 1. Net capital and the related ratio of aggregate indebtedness to net capital may fluctuate on a daily basis.

At December 31, 2016, the Company had net capital of \$41,948 which was \$36,948 in excess of its required minimum net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital ratio was 0.15 to 1 at December 31, 2016.

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission since the Company does not carry security accounts for customers or perform custodial functions relating to customer securities. All accounts are on fully disclosed basis. Therefore, the Company is not required to make periodic computations of the reserve requirements for the exclusive benefit of customers.

#### **Note 5 - Office Space**

The Company leased its office facilities on a month to month basis under a space and service agreement ("Space Agreement"). The Company received notice from the landlord that the office facility was being closed down and the Space Agreement terminated on January 31, 2016.



## **Roc Global Securities, LLC**

### **Notes to Statement of Financial Condition**

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#### **Note 5 - Office Space- continued**

On January 12, 2016, the Company signed a new space and service agreement at a new location that commenced February 1, 2016 ("New Space Agreement"). The New Space Agreement was initially for six months for the period February 1, 2016 to July 31, 2016. Pursuant to the terms of the New Space Agreement, the Company renewed the New Space Agreement for another six month period. The monthly base rent for the period August 2016 to January 31, 2017 was negotiated to a contractually based agreed upon rent.

On January 30, 2017, the Company renewed the New Space Agreement for the six month period February 1, 2017 to July 31, 2017 and the base rent was negotiated to a contractually based agreed upon rent of \$4,000 per month.

#### **Note 6 - Off-Balance Sheet Risk and Concentrations of Credit Risk**

The Company has a potential concentration of credit risk in that it maintains cash deposits with one major financial institution. At times, the amount on deposit at this institution may exceed the maximum balance insured by the Federal Deposit Insurance Corporation. Management has determined that the concentration subjects the Company to minimal risk only. At December 31, 2016, there were no uninsured amounts.

The Company's customers and counterparties are primarily institutional and consist of banks, hedge funds, mutual funds, pension plans, brokers and dealers, and other financial institutions.

Due to the nature of the Company's business, large transactions with customers may occur each year.

#### **Note 7 - Subsequent Events**

The Company has evaluated subsequent events from January 1, 2017 through February 8, 2017, the date the financial statement of financial condition was available to be issued, and has determined there are no events to disclose other than the renewal of the New Space Agreement disclosed in Note 5.